US Army Corps of Engineers

Asset Management

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Purpose of the Briefing

- **Provide an intro to asset management**
  - **At the Executive level: PMA, E.O., OMB**
  - **Within USACE: Real Property, CW Strategic Plan, GIS Implications**

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Federal Asset Management

- E.O. 13327: Federal Real Property Asset Management; Feb 4, 2004
- Creates the Federal Real Property Council (FRPC)
- Establishes Senior Real Property Officers (SRPO) at agencies
- USACE: leverage other federal agencies: NPS, BuRec, GSA, NASA, Navy
- Links: CW SP, CFO Act, GIS, BRAC, RPIR

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FRPC Guidelines

- Asset Management Plan
  - *Create a planned, systematic approach*
- Inventory of Properties
  - *Need to know what we have…(GIS can help!)*
- Performance Measures
  - *What condition it is in, how it is utilized…*

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Asset Management Foundation

- Inventory
  - What do we have?
  - Where is it located?
- Standardization
  - Common “language”
  - Shared business processes
  - Implementation tool(s)
- How can we accomplish this?
  - Geographic Information Systems (GIS)
  - *A scientific and engineering application used by subject matter experts to assemble, analyze, and report on spatially oriented data and attributes*

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Enterprise GIS

- Deputy Commander Memo of 2 Jul 04
  - Called for eGIS with: common architecture, data standards and file management software for geospatial technologies
  - Provided eGIS guidelines:
    - MSC develop eGIS Charter and Accounting Policy
    - Districts to have GD&S POC and CADD Manager
    - Implement SDSFIE
  - Plan for an 18-month transition period to comply with eGIS Standards

- This eGIS effort supports and will help implement the Strategic Asset Management Initiative

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Why Asset Management? Managing a typical asset over a 50-year lifetime requires substantial resources

- Construction is only a small portion of the total cost of an asset over its lifetime.
- On-going maintenance needed to keep the asset operational over time requires additional, more substantial costs.

Asset Life Cycle

2 - 4 years	**50 years**
20 - 30% of costs	**70 - 80% of costs**

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Strategic Asset Management

-USACE can incorporate stewardship & life-cycle concepts into its business practices

-Establish infrastructure baseline for CWSP Goal #3 & #4 to make informed budget decisions (infrastructure modernization and emergency management)

-Chief's Campaign Plan

-Use FRPC guidelines to develop corporate asset management plan

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Strategic Asset Management

Q: What do we own? (liability)

A: Real and personal property assets in each Civil Works business line

- *How* - Create an accurate asset inventory
- *Note:* E.O. only addresses real property; USACE is extending to include personal property
- FRPC only requires street address or lat/long;

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Strategic Asset Management

Q: What is the utilization?

A: Utilization as a % utilization for 5 categories: offices, warehouses, hospitals, labs, and housing

- *How* – Assess ratio of occupancy to design capacity

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Strategic Asset Management

Q: What is its value? (dollars)

A: $30B Infrastructure

- *How* - Determine current replacement value (CRV)
  - Incorporation of CRV into primary metric for measuring condition (denominator of FCI)

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Strategic Asset Management

Q: What is its condition? (metric)

A: Facility Condition Index

Repair Needs
Plant Replacement Value

- *How* - Establish baseline condition

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Strategic Asset Management

Q: What is the mission dependency?

A: 1. Mission Critical

2. Mission Dependent, not critical

3. Not mission dependent

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Strategic Asset Management

Q: What is required to sustain it over time? (resources)

A: Annual operating and maintenance costs.

- *How* - Focus on the life cycle of an asset, not just the current state today (managing time, money, people)

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USACE PROGRESS TO DATE

- OMB “green” rating for 1& 2 Q 05 progress
- PDT established and meeting weekly
- PMP signed by CW OPS & RE COP
- RESNC inventory gap analysis completed
- Off-site held at Ft. Belvoir 15-17 Feb
- ERDC testing of Facility Condition Index
- Partnering with NPS
- Drafting Asset Management Plan
- RE AIS upgrades incl. 23 required data elements
- RE Mapping/GIS Workshop 24-25 May 05

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Asset Management Benefits

- ***Strategic Planning and Management***
- ***Feeds into system for asset maintenance***
- ***Extends equipment/plant service life***
- ***Identifies and reduces maintenance labor and cost***
- ***Supports performance based budgeting***
- ***Critical tool for managing /prioritizing backlog***
- ***Creates efficiencies throughout the federal government***
- ***Creates opportunities for partnering***

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Conclusions

- Greater magnitude than originally expected
- Additional Resources Required
- Multi-year, phased approach
- Inventory in good shape
- Metrics under development
- Future requirements: DOD (RPIR), BMMP, Army, GIS

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Questions?

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